



DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20350-1000

SECNAVINST 5010.1B
Pers-51
23 March 1993

SECNAV INSTRUCTION 5010.1B

From: Secretary of the Navy

Subj: EFFICIENCY REVIEW (ER) PROCESS FOR TOTAL FORCE MANPOWER
REQUIREMENTS DETERMINATION

Ref: (a) DOD Instruction 5010.37 of 17 Nov 87 (NOTAL)
(b) DOD Directive 1100.4 of 20 Aug 54 (NOTAL)
(c) SECNAVINST 5312.10C of 29 Oct 74 (NOTAL)
(d) SECNAVINST 1001.37 of 19 Oct 92 (NOTAL)

1. Purpose.

a. To provide Department of the Navy (DON) policy guidance for Total Force manpower requirements determination through a continuous efficiency review process. References (a) through (d) pertain.

b. To describe in general terms an ER process for manpower requirements determination that uses various Industrial Engineering (IE) approaches, ER-based staffing standards, and prevailing management concepts. Total Quality Leadership (TQL) initiatives shall be used to achieve continuous improvement in operational performance, quality of goods and services provided and customer satisfaction.

c. To provide policy guidance for using statements of manpower requirements to manage manpower resources across the Future Years Defense Plan (FYDP) and to support the Planning, Programming and Budgeting System (PPBS).

d. To assign management responsibilities and to establish goals and objectives for the ER process.

e. This instruction is a complete revision and should be reviewed in its entirety.

2. Cancellation. SECNAVINST 5010.1A.

3. Background.

a. Manpower requirements determination is a fundamental process in Manpower, Personnel and Training (MPT) management.



0 5 7 9 L D 0 5 6 4 0 6 0

SECNAVINST 5010.1B

23 MAR 1993

Requirements statements provide management, at all levels, objective information to determine the best use of manpower resources.

b. Manpower requirements provide, either directly or indirectly, a basis for:

(1) Documenting Total Force, wartime and peacetime, active and reserve military, civilian and contractor, manpower resources;

(2) Programming, reprogramming and budgeting of manpower resources;

(3) Applying required qualitative skills and experience classification data to determine optimum end-strength at the activity level;

(4) Developing policy and plans for officer and enlisted community management, promotion, retention, sea/shore rotation, recruiting, accession goals and distribution of naval personnel; and

(5) Formulating military personnel training policy and plans.

c. A continuous ER process will be used to establish and maintain credible and current manpower requirements and to assist and provide discipline in the above efforts. The continuous process of determining and documenting manpower requirements is applicable to forces afloat and ashore and enables the accomplishment of essential missions, functions, assigned tasks, and wartime contingency plans. Since Navy and Marine Corps forces operate in a dynamic environment and must adapt to changing mission requirements and externally imposed constraints, the manpower requirements process must be able to respond to such changes. Thus, the manpower requirements baseline may not be a straight line projection, but may vary across the FYDP.

4. ER Process.

a. An ER process is used to review an activity's mission, functions, tasks and workload and to evaluate alternative combinations of manpower, material, facilities, procedures, methods, and organizational structures to determine the manpower resources required to achieve specified output performance. For the operational forces, this review forms the basis for reporting the unit's manpower readiness to accomplish its assigned mission.

23 MAR 1993

b. Work measurement, other IE techniques and various management practices, e.g., TQL, Corporate Information Management (CIM), shall be used as tools to develop ER-based staffing standards and manpower requirements. These tools will also form the basis for the continuous evaluation of resource and methods tradeoffs to enhance mission performance, quality, efficiency, and effectiveness.

c. Implementation of TQL principles will identify improvements in organizational effectiveness and increase quality, productivity and customer satisfaction through process orientation involving suppliers and customers. Improvements will eliminate non-value added steps and unnecessary operations and will result in lower operational costs and improved operational effectiveness and efficiency.

d. The results of an ER shall be documented in a statement of manpower requirements for an activity. Staffing levels will be based on organizational and/or functional output performance indicators and wartime contingency plans. Manpower requirements data files will be adjusted based on approved programming actions and as changes occur to workload, work processes and contingency plans.

e. Total Force manpower requirements determined as a result of an ER provide a tool to be used by manpower claimants and resource sponsors to substantiate manpower resources in the PPBS. Mission and function statements must be reviewed and updated to reflect unfunded manpower requirements. Allocated reserve manpower may be employed to satisfy peacetime missions and tasks as outlined in reference (d).

5. Policy.

a. DON policy is to ensure continuous organizational improvement and effective manpower management.

b. An ER process shall be used by all major claimants to determine the number and mix of active and reserve military, civilian, contractor, transient, Temporary Additional Duty (TAD), and other manpower resource alternatives to staff an activity to accomplish its mission, functions, tasks and workload, and to satisfy wartime contingency requirements.

c. An ER process is not a single process of prescribed IE techniques, but rather uses a broad range of techniques to determine and document wartime and peacetime manpower requirements. Although the techniques used to conduct an ER may

23 MAR 1993

vary across different types of activities, e.g., operating forces, Defense Business Operating Fund (DBOF) and non-DBOF activities, these techniques are to be supported by recognized industrial engineering tools and processes to develop a statement of manpower requirements. ERs will include work measurement and an analysis of internal and external organizational structures and command reporting relationships to streamline and/or reduce overhead functions.

d. Manpower requirements may vary across the FYDP based on programmed changes in mission. Defense Management Review Decisions (DMRDs), Department of the Navy Consolidated Planning and Program Guidance (DNCPPG) and other manpower and fiscal policy guidance and directives may impact the results of a planned manpower requirements determination effort, and must be considered prior to initiating an ER.

e. Actual manpower allocations across the FYDP may be fiscally constrained by controls on military end strength and programmed funding. ER tools shall be applied to target FYDP profiles, such that prudent manpower decisions can be made to establish requirements for the shore infrastructure and to adjust the infrastructure and associated resources commensurate with force structure changes. For the operational forces, warfare and resource sponsors will be able to analyze the manpower cost of performing assigned missions. From this analysis, trade-off decisions can be made based on proposed changes in assigned missions. ER results provide a meaningful tool for programming, reprogramming and budgeting purposes.

f. Manpower requirements shall be identified as civilian unless a military incumbent is required based on criteria delineated in reference (b). In areas which require both military and civilian personnel, manpower requirements will first be determined as a total. Recommendations to change existing military/civilian mix will involve programming/budgeting considerations.

6. Responsibilities.

a. The Assistant Secretary of the Navy (Manpower and Reserve Affairs) (ASN (M&RA)) has overall responsibility for manpower policy management within the DON, and shall:

- (1) Provide additional policy guidance as required; and
- (2) Provide oversight to ensure that integrity is maintained, expected benefits are realized and policies are

23 MAR 1993

adhered to.

b. The Chief of Naval Personnel (CHNAVPERS) and the Deputy Chief of Staff, Manpower and Reserve Affairs, Marine Corps (DCS M&RA) are designated key officials for carrying out all provisions of reference (a) and this instruction which are not assigned to ASN (M&RA) and shall:

(1) Establish and issue policy guidance for manpower requirements determination;

(2) Ensure that quality components within (military pay grade and skill) manpower requirements are adequately documented, distributed and utilized in determining programmed military end-strength and sufficient levels of program funding;

(3) Ensure implementation of TQL principles emphasizing a quality leadership philosophy and continuous improvement in work processes;

(4) Ensure that efficiency review efforts are conducted "top down" to establish a peacetime manpower requirements baseline for all applicable activities by end Fiscal Year 1994. Once established an activity's baseline will be maintained and updated through a continuous process of improvements and requirements evaluation;

(5) Ensure that an ER process evaluates alternative combinations of manpower, material, facilities, procedures, methods, and organizational structures to achieve specified output performance indicator levels and that the most cost-effective combination of resources is used to document a baseline statement of manpower requirements. Military essentiality and potential for civilian substitution will be evaluated during an efficiency review;

(6) Support manpower resource adjustments in PPBS that result from continuous process and quality improvements which lower unit output costs;

(7) Ensure that ER-based staffing standards for shore and operating force organizations or functions are based on operational considerations, applicable management analysis, IE techniques and objective determinations of workload. Results of the application of ER-based standards will be used to update the manpower requirements baseline;

(8) Ensure that manpower requirements and authorizations

23 MAR 1993

are linked to organizational and/or functional requirements and that authorizations can be adjusted as weapons systems, workload and process changes occur. Output performance indicators will be used for documenting programmed levels of production and service and for measuring process improvements. Output performance indicators and measures of readiness will be used for budget formulation and management of Navy's infrastructure and will be linked to Budget Performance Criteria (budget indicators) used in resource planning and programming. ER study results that substantiate requirements for unfunded (underfunded) resources (billets/positions and/or funding) necessary to accomplish programmed mission objectives provide rationale for reprogramming actions and/or inputs to POM/Budget submissions;

(9) Ensure that baseline manpower requirements are projected across the FYDP and that the manpower requirements baseline is reviewed annually and updated to reflect the impact of continuous process improvements and changes in mission, weapon systems and workload;

(10) Ensure that complete and accurate backup documentation is maintained for use in reviewing the effectiveness of implemented results;

(11) Provide adequate oversight to ensure that integrity is maintained, expected benefits are realized, and standards and established criteria are being adhered to; and

(12) Ensure accurate and timely transmission of manpower data to the Defense Manpower Data Center.

7. Action. ASN (M&RA), CHNAVPERS and DCS(M&RA) shall take appropriate action to implement the provisions of this instruction and references (a) through (d).



F. B. Kelso, II
Acting

SECNAVINST 5010.1B
23 MAR 1993

Distribution:

SNDL A1F (ASN (FM))
A1H (ASN (M&RA))
A2A (NAVCOMPT, only)
A5 (CHNAVPERS (PERS-5), only) (50)
A6 (CMC)

Copy to:

SNDL A1 (Immediate Office of the Secretary)
A2A (Department of the Navy Staff Offices)
A5 (Bureaus)
21A (Fleet Commanders in Chief)
23C3 (COMNAVRESFOR)
24 (Type Commanders)
41A (COMSC)
C25A (OPNAV Support Activity Detachment)
(Ft. Ritchie, only)
FD1 (COMNAVOCEANCOM)
FE1 (COMNAVSECGRU)
FG1 (COMNAVCOMTELCOM)
FF32 (Field Support Activity)
FH1 (BUMED)
FJA10 (NAVMAC) (50)
FKA1A (COMNAVAIRSYSCOM)
FKA1B (COMSPAWARSYSCOM)
FKA1C (COMNAVAFACENGCOM)
FKA1F (COMNAVSUPSYSCOM)
FKA1G (COMNAVSEASYSYSCOM)
FKA8F (DIRSSP)
FS1 (COMNAVINTCOM)
FT1 (CNET)
FT99 (COMNAVSPECWARCOM)

SECNAV/OPNAV Directives Control Office
Washington Navy Yard, Bldg 200
Washington, DC 20374-5074 (20 copies)

Stocked:

Naval Publications and Formes Directorate
Physical Distribution Division Code 103
5801 Tabor Avenue
Philadelphia PA 19120-5099 (20 copies)